

February 15, 2019

The Honorable Julia Lynn, Chairperson
Senate Committee on Commerce
Statehouse, Room 445-S
Topeka, Kansas 66612

Dear Senator Lynn:

SUBJECT: Fiscal Note for SB 168 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 168 is respectfully submitted to your committee.

SB 168 would create the Kansas Home Inspectors Professional Competency and Financial Responsibility Act and establish the Kansas Home Inspectors Licensing Board. The purpose of the Board would be to administer and enforce the Act, promote consumer protection, ensure professional competency, and ensure the presence of a viable home inspection industry in the state.

The Board would comprise five members to be appointed by the Governor, including three members who are home inspectors who have been actively engaged in the practice of home inspections for at least five consecutive years and have completed at least 1,000 fee-paid home inspections. The remaining two members would be at-large members who are not home inspectors.

The bill would require the Governor to appoint the initial members of the Board prior to September 1, 2019. The bill would outline the terms of the appointments, as well as the election of the chairperson, vice-chairperson, and secretary. Also, the bill would outline the duties and powers of the Board.

The bill would set maximum fees for the following licenses:

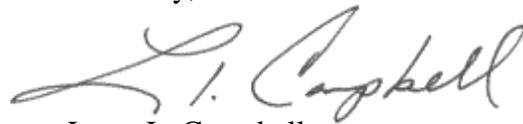
1. Original application license fee: \$200;
2. Renewal license fee: \$200;
3. Late license renewal fee: \$50;
4. Reinstatement of an expired or revoked license fee: \$300;
5. Duplicate copy of a license certificate fee: \$25;

6. Application packet review fee by an education provider for pre-license course: \$500; and
7. Application packet review fee by an education provider for continuing education classes: \$50.

On and after January 1, 2020, any individual performing home inspections would be required to hold a current and valid license issued by the Board. The bill would outline the requirements for an individual applying for or renewing a license.

Currently, Kansas does not have a state agency that regulates the home inspection industry. However, the last time that a state agency was dedicated to regulating this industry was during FY 2013. The agency's enabling statute had a sunset date of July 1, 2013, and was allowed to expire as of that date. At that time, the agency had an approved FY 2013 budget of \$15,013 that was financed from the Kansas Home Inspectors Registration Fee Fund. Of this budget, \$5,928 was for the salary and wages for its five board members, \$8,735 for contractual services, and \$350 for commodities. There were no full-time employees employed by the agency. If SB 168 were to become law, the Division of the Budget would assume similar expenditures would be required for the agency's operations. Any fiscal effect associated with the bill is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in cursive script that reads "L. L. Campbell". The signature is written in black ink and is positioned above the printed name and title.

Larry L. Campbell
Director of the Budget